

SECTION

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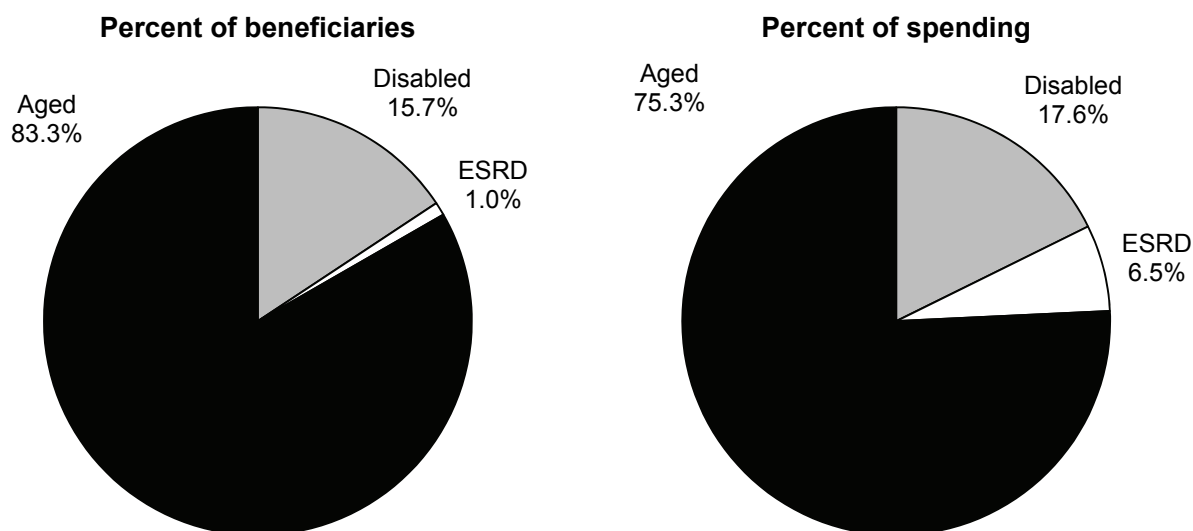
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**Medicare beneficiary  
demographics**

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**Chart 2-1. Aged beneficiaries account for the greatest share of the Medicare population and program spending, 2010**

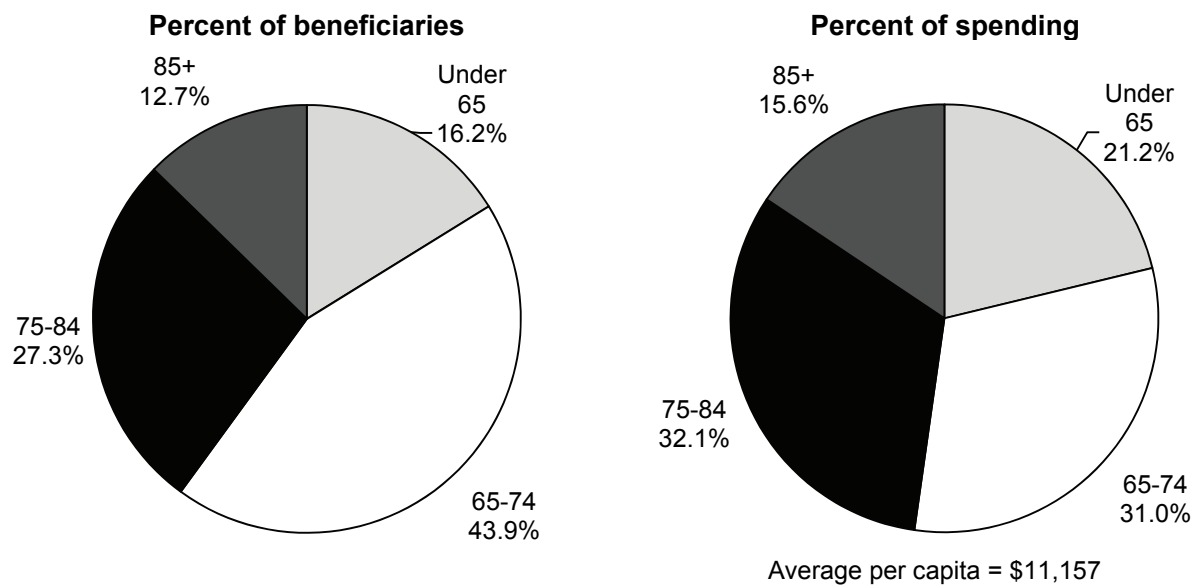


Note: ESRD (end-stage renal disease). The aged category refers to beneficiaries age 65 or older without ESRD. The disabled category refers to beneficiaries under age 65 without ESRD. The ESRD category refers to beneficiaries with ESRD, regardless of age. Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2010.

- In 2010, beneficiaries age 65 or older without ESRD composed 83.3 percent of the beneficiary population and accounted for 75 percent of Medicare spending. Beneficiaries under 65 with a disability and beneficiaries with ESRD accounted for the remaining population and spending.
- In 2010, average Medicare spending per beneficiary was \$11,157.
- A disproportionate share of Medicare expenditures is devoted to Medicare beneficiaries with ESRD. On average, these beneficiaries incur spending that is more than six times greater than spending for aged beneficiaries (65 years or older without ESRD) or for beneficiaries under age 65 with disability (non-ESRD). In 2010, \$75,475 was spent per ESRD beneficiary versus \$10,093 per aged beneficiary and \$12,530 per beneficiary under age 65 enrolled due to disability.

**Chart 2-2. Medicare enrollment and spending by age group, 2010**

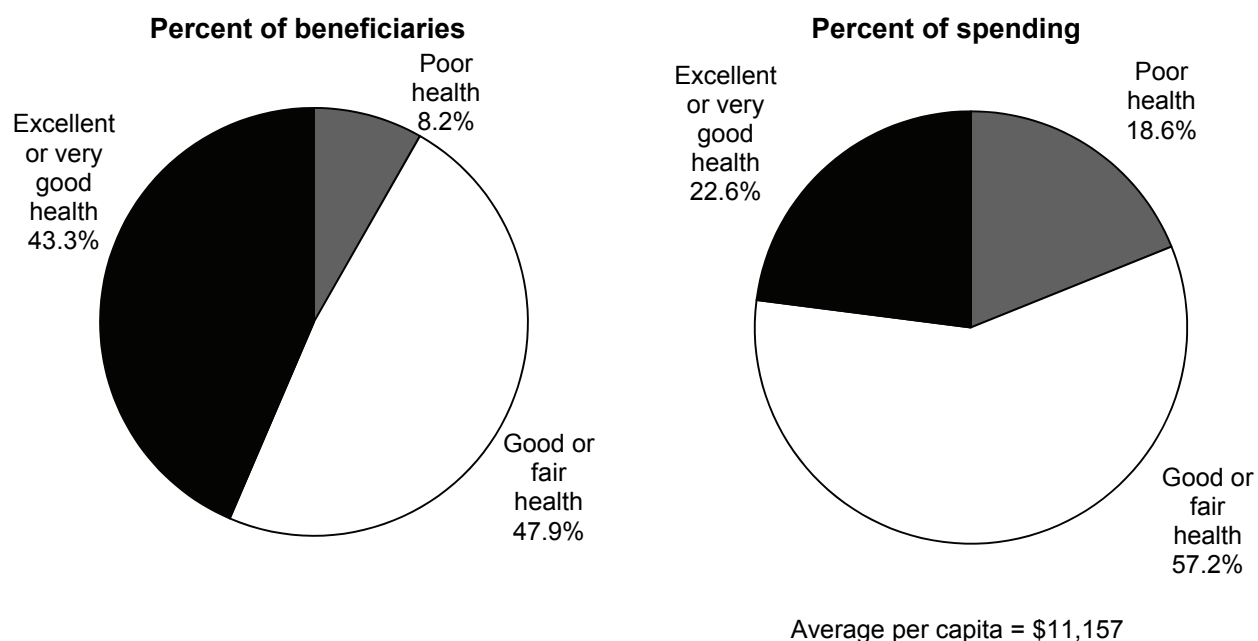


**Note:** Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding.

**Source:** MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2010.

- For the aged population (65 or older), per capita expenditures increase with age. In 2010, per capita expenditures were \$7,883 for beneficiaries 65 to 74 years old, \$13,121 for those 75 to 84 years old, and \$13,785 for those 85 or older.
- In 2010, per capita expenditures for Medicare beneficiaries under age 65 enrolled due to end-stage renal disease or disability were \$14,663.

**Chart 2-3. Beneficiaries who report being in poor health account for a disproportionate share of Medicare spending, 2010**

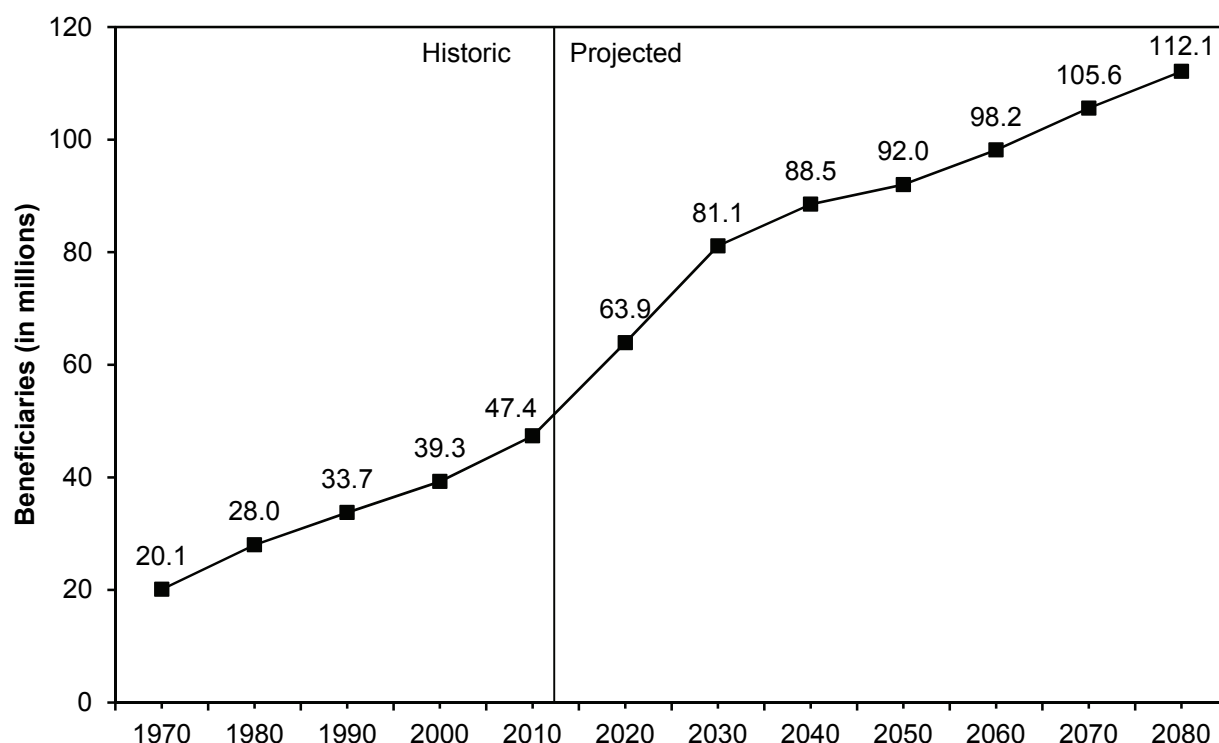


Note: Results include fee-for-service, Medicare Advantage, community-dwelling, and institutionalized beneficiaries. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2010.

- In 2010, most beneficiaries reported fair to excellent health. Fewer than 10 percent reported poor health.
- Medicare spending is strongly associated with self-reported health status. In 2010, per capita expenditures were \$5,825 for those who reported excellent or very good health, \$13,335 for those who reported good or fair health, and \$25,314 for those who reported poor health.

**Chart 2-4. Enrollment in the Medicare program is projected to grow rapidly in the next 20 years**



Note: Enrollment numbers are based on Part A enrollment only. Beneficiaries enrolled only in Part B are not included.

Source: **AT THE TIME THIS DATA BOOK WAS PREPARED, THE MEDICARE TRUSTEES' REPORT (WHICH IS THE CUSTOMARY SOURCE OF DATA FOR THIS CHART) HAD NOT YET BEEN RELEASED FOR 2014. THIS CHART REFLECTS DATA FROM THE 2013 MEDICARE TRUSTEES' REPORT. THE READER IS ADVISED TO CONSULT THE 2014 TRUSTEES' REPORT DIRECTLY, WHEN AVAILABLE, FOR THE MOST CURRENT VERSION OF THESE DATA.**

- The total number of people enrolled in the Medicare program will increase from about 50 million in 2012 to about 81 million in 2030.
- The rate of increase in Medicare enrollment will accelerate until 2030 as more members of the baby-boom generation become eligible, at which point it will continue to increase, but more slowly, after the entire baby-boom generation has become eligible.

## Chart 2-5. Characteristics of the Medicare population, 2010

Characteristic	Percent of the Medicare population	Characteristic	Percent of the Medicare population
<b>Total</b> (48,420,576)	100%	<b>Living arrangement</b>	
<b>Sex</b>		Institution	5%
Male	45	Alone	29
Female	55	Spouse	49
		Other	18
<b>Race/ethnicity</b>		<b>Education</b>	
White, non-Hispanic	77	No high school diploma	23
African American, non-Hispanic	10	High school diploma only	29
Hispanic	9	Some college or more	47
Other	5	<b>Income status</b>	
<b>Age</b>		Below poverty	14
<65	16	100–125% of poverty	9
65–74	44	125–200% of poverty	19
75–84	27	200–400% of poverty	31
85+	13	Over 400% of poverty	27
<b>Health status</b>		<b>Supplemental insurance status</b>	
Excellent or very good	43	Medicare only	10
Good or fair	48	Managed care	24
Poor	8	Employer-sponsored insurance	29
		Medigap	18
<b>Residence</b>		Medigap with employer-sponsored insurance	4
Urban	77	Medicaid	14
Rural	23	Other	1

Note: "Urban" indicates beneficiaries living in metropolitan statistical areas (MSAs). "Rural" indicates beneficiaries living outside MSAs. In 2010, poverty was defined as income of \$10,458 for people living alone and \$13,194 for married couples. Totals may not sum to 100 percent due to rounding and exclusion of an "other" category. Poverty thresholds are calculated by the U.S. Census Bureau (<https://www.census.gov/hhes/www/poverty/data/threshld/>). Some beneficiaries may have more than one type of supplemental insurance.

Source: MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2010.

- Most Medicare beneficiaries are female and White.
- Close to one-quarter of beneficiaries live in rural areas.
- Twenty-nine percent of the Medicare population lives alone.
- Close to one-quarter of beneficiaries have no high school diploma.
- Most Medicare beneficiaries have some source of supplemental insurance. Employer-sponsored plans are the most common source of supplemental coverage.

